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Letter No. 2208

April 11, 1985

RECORD U.S.
GRAIN SALES
TO USSR

USSR grain purchases for shipment during the second year of the new Long-Term Grain Agreement have reached a post-embargo record of 17.9 million tons, according to the U.S. Department of Agriculture. By the end of July, USSR buyers had purchased around 4.5 million tons of U.S. corn and over 300,000 of wheat. By Oct. 1, the start of the second year of the new LTA, the USSR had nearly 7.7 million tons of corn and 1.4 million of wheat on the books. During Jan. and Feb. 1985 the Soviets cancelled nearly 500,000 tons of earlier purchased wheat. Jan. 1985 saw the Soviets adding nearly 5 million tons of corn to earlier purchases by the end of Feb. By early April, total corn bought for shipment in Oct.-Sept. 1984/85 had swollen to nearly 15 million tons.

ACREAGE
REDUCTION

A report issued by the U.S. Department of Agriculture shows farmers have signed contracts to place 165.6 million acres of upland cotton, extra long staple cotton, feed grain, rice and wheat base acreage in the 1985 acreage reduction programs. The signed up acreage represents 69 percent of the 239.8 million acres of total base acreage. Farmers who signed up agreed to reduce their base acreage plantings by at least 10 pct. for food grains and extra staple cotton, 30 pct. for wheat and upland cotton and 35 pct. for rice. Participating producers will be eligible for program benefits.

CORN TO
JAPAN

According to the U.S. Department of Agriculture, private exporters reported export sales of 203,200 metric tons of corn for delivery to Japan during the 1984/85 marketing year.

WHEAT EXPORT
FORECAST

As of mid-March, the U.S. wheat export forecast has been lowered to 39.4 million tons, down 700,000 tons from last month, according to the U.S. Department of Agriculture. The recent pace of sales has been slow, as many countries appear to be either buying from competitors or awaiting new crop U.S. wheat supplies. Suspension of the blended credit program will not help the U.S. competitive position in relation to other exporters in credit-sensitive importing countries. U.S. wheat shipments in the four weeks ending Mar. 21 were only 1.5 million tons, the lowest so far in the 1984/85 marketing year.

DURUM WHEAT -
1984-85

As a result of favorable weather and increased durum sowings in Europe, North Africa and the United States, world durum production for 1984-85 is estimated by the U.S. Department of Agriculture to have reached 19.3 million tons. This output represents about 56 pct. of total world durum production. Output in Canada represents another 16 pct., down by 20 pct. from the 1983-84 level.

U.S. PREPARED
FEED EXPORTS
DECLINE

The volume of U.S. prepared feed exports declined somewhat in 1984, following the previous years record level that exceeded 600,000 tons for the first time, according to the U.S. Department of Agriculture. The biggest market for U.S. feed exports was again the European Community, which accounted for nearly 50 pct. of the total. The second biggest market was the island nations of the Caribbean, especially Trinidad-Tobago, Canada, Mexico, and Asia are also big markets. The value of U.S. prepared feed exports in 1984 exceeded \$160 million for the first time.

SOVIET GRAIN
IMPORTS

Soviet grain buyers appear to have nearly covered projected record July-June 1984/85 grain imports of 52 million tons, according to the U.S. Department of Agriculture. These record imports are expected to include 26 million tons of wheat, 25 million of coarse grains, and one million of miscellaneous grains and pulses. Various reports also indicate increased Soviet interest in other feed items such a manioc, soybeans and soybean meal. High livestock inventories and an unusually cold winter have increased feed demand and intensified pressure on tight grain supplies.

CORN EXPORT
FORECAST

The U.S. corn export forecast was slowed in mid-March to 49.5 million tons, down 1.9 million from the previous month, according to the U.S. Department of Agriculture. U.S. corn trade prospects have deteriorated for a number of major markets such as the European Community, Korea, Japan and South Africa. Corn sales to the USSR have continued to dominate the corn market, with Soviet commitments increasing 1.5 million tons over the past month. Japan and Taiwan were also active corn buyers during March.

CROP PROD.
HIGHLIGHTS

Citrus production is forecast at 10.3 million tons (9.35 million metric tons), 4 pct. less than last season, according to the U.S. Department of Agriculture. Orange production is forecast at 159 million boxes (6.10 million metric tons), 6 pct. less than last season. As of April 1, 62 pct. of the crop was harvested. Grapefruit production is forecast at 53.8 million boxes (1.97 million metric tons), up 1 pct. from last season. As of Apr. 1, 77 pct. of the crop was harvested. (For more statistical information, call 202-447-2127.)

FUTURE OF
AG TRADE

During the next two or three decades, the domestic market for food is expected to expand less than 1 pct. per year, according to the U.S. Department of Agriculture. U.S. agricultural capacity should grow much faster. The resulting potential for excess supplies will make the expansion of foreign markets more crucial than ever for U.S. agriculture. If U.S. exports increase at an average annual rate of 3 pct., as expected, output from approximately 50 pct. of the harvested acreage will be exported by the year 2000. Even so, U.S. share of exports will decline as worldwide production expands.

WINTER WHEAT &
MARCH WEATHER

Winter wheat was in mostly good condition by the end of March, according to the U.S. Department of Agriculture. Moisture and warmer-than-normal temperatures promoted growth in most areas during the month. However, disease became problematic in Nebraska, Kansas, Oklahoma, and Texas as the month closed. Wheat development ranged from greening in Montana, jointing and heading across the south and heading in the Southwest.

FROM OUR
TELEVISION
SERVICE

"Dairy Price Support Update"...The National support price for milk producers was adjusted downward recently by Secretary of Agriculture John Block. Charles Shaw with USDA's Ag. Stabilization and Conservation Service focuses on focuses on factors behind this move. Vic Powell interviews. (356)

"Foreign Ownership of U.S. Land"...There has been much concern in recent years about the amount of U.S. agricultural land held in foreign ownership. USDA attorney Peter DeBraal offers an update on this situation. DeBoria Janifer interviews. (357)

"Citrus Horticulture"...USDA extension specialists George Yelenosky and Larry Jackson focuses on research being conducted in Florida to improve the freeze resistance of citrus trees. Vic Powell interviews. (358)

"Testing Hay Quality"...Dave Mees, Illinois Department of Agriculture, talks about research being conducted to test the nutritional quality of hay. Gary Beaumont interviews. (359)

"Diet, Nutrition and Children"...Dr. Buford Nichols, director of the Children's Nutrition Center at the Baylor College of Medicine in Houston, Texas, talks about the importance of starting good nutritional habits in early childhood to prevent disease. Vic Powell interviews. (360)

SOYBEANS
TO JAPAN

Japanese soybean imports during 1984/85 are forecast at 4.7 million tons, up 100,000 tons from the previous forecast, according to the U.S. Department of Agriculture. Soybean crush is expected to increase as demand for both soybean meal and oil rises. Demand for soybean food products is expected to remain stable. The U.S. share of the Japanese soybean market is expected to fall below 90 pct. because of competition from Brazil and Japanese complaints about the quality of U.S. soybeans this summer.

AG. EXPORTS
CONFERENCE
IN MAY

Officials from the U.S. Departments of Agriculture and Commerce and from two accounting firms and a law firm will be discussing export trading companies and the promotion of U.S. agricultural commodities at conferences in Carmel Valley, Calif. on May 7 and Chicago on May 9. These conferences will inform the agribusiness community of programs available to assist them in financing, marketing and transporting their products. For more details, contact: Kay McLennan, Office of Transportation, Rm. 1405 Auditors Bldg., USDA, Wash., D.C. 20250. Tel. (202) 447-6235.

FOREIGNERS
ON AG LAND

U.S. agricultural land owned by foreign interests rose from 13.7 million acres to 14 million as of Oct. 8, 1984, according to the U.S. Department of Agriculture. This is slightly more than one pct. of U.S. agricultural land. Forest land accounts for 57 pct.; cropland, 14 pct.; pasture and other agriculture, 24 pct.; and nonagricultural and unreported uses, 5 pct. U.S. corporations with 5 pct. or more foreign ownership reported owning 62 pct. of all the foreign-held acreage. The remaining 38 pct. is held by foreign persons not affiliated with a U.S. corporation.

OFF MIKE

By the time you read this, the Western Regional NAFB meeting will be history. The dates were April 18-20 in Salt Lake City, UT. John Berg (KSL, Salt Lake City) set the meeting up, and all indications were it would be an excellent meeting. Since I'm leaving shortly after finishing this column for that meeting, I'll find out and let you know next week ... Tom Hoy (Nat'l Rural Elec. Coop., Washington, D.C.) called the other day to set up another meeting of the program planning committee for the NAFB summer meeting. As I mentioned earlier, plans so far are looking good, and the meeting next week will probably pin down most of the loose ends. A report on that meeting next week, too ... Jim Mills (NAFB Sales Mktg Director, Herndon, VA) stopped by the office (but not to offer any critiquing of this letter, thank goodness). He was meeting with another USDA'er and had a little extra time. We talked about some of the sales marketing work he's been doing and about the upcoming NAMA meeting in Florida. He'll be going. I won't ... Some time back, we received a printed "flyer" from Bob Bosold (WAXX, Eau Claire, WI) that talks about Bob and his schedule of farm programming. We enjoy getting this type of information, and thank Bob for sending it to us. And it gives us a chance to invite you to do the same. If you have information about you and your schedule, etc., in printed form, send us a copy ... And as long as we're offering invitations, here's a repeat of one we've issued before. As you know, we're into doing Television Press Conferences via Satellite with Sec'y John Block. We like to tell everyone when they're happening, but we need to know who all can access material from satellites. So, if you can and would like to be notified of these events, let us know. We'll put you on our list (the good one) ... News is kinda slim this week, so we'll leave you with this bit of "wisdom" from Johnny Martin (Ohio Farm Bureau, Columbus): "A dime is really a dollar with all the taxes taken out." Oh, well. Maybe next week will be better.

FROM OUR RADIO
SERVICE

AGRICULTURE USA #1453...(Weekly 13½ min documentary) There are many unwanted "hitchhikers" coming into the United States from many different countries. On this edition of "Agriculture USA" George Holmes talks to USDA officials as well as overseas travelers about the precautions one needs to take when traveling abroad as well as the precautions one needs to take when returning to the United States.

AGRITAPE/FARM PROGRAM REPORT #1143...(Weekly reel of news features) USDA news highlights; 1985 sign-up results; Strong U.S. imports; Popular potato varieties; Female farmers.

CONSUMER TIME #936...(Weekly reel of five 2½-3 min features) The tragedy of Bilimia; Cooking a turkey; African trip leaves haunting memories; Potatoes--The good guys; Colors and your moods.

USDA RADIO NEWS SERVICE...Mon, Apr. 22, Cattle on feed report; Tues, Apr. 23, Weekly weather and crop outlook; World ag. supply and demand report; Thurs, Apr. 24, Soviet crop outlook report; Tues, Apr. 30, Ag. prices report and Weekly weather and crop outlook. Dial the USDA National News Line 202/488-8358 or 8359. All material changed at 5 p.m. EST each working day.



JAMES L. JOHNSON, Chief
Radio and Television Division